



Property Casualty Insurers
Association of America
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STATE HIGHWAYS AND TRANSPORTATION

EXHIBIT NO. 18
DATE: 1-27-2011
BILL NO. SB 111

S.B. 111 – Common Sense for Montana

Senate Bill 111 would bring No Pay/No Play to Montana. No Pay/No Play simply means that those who drive without insurance would be barred from recovering non-economic (pain and suffering) damages from an insured driver in the event of an accident. Believe it or not, under current Montana law those that drive without the minimum amount of insurance required by law are able to sue responsible drivers who obtain required insurance coverage for non-economic damages. **Uninsured drivers are allowed to benefit from someone else's compliance with the law while simultaneously denying that same benefit to anyone who has the misfortune of being hit by them.**

No Pay/No Play laws are currently on the books in Alaska, California, Iowa, Louisiana, Michigan, New Jersey, North Dakota and Oregon.

- **No Pay/No Play laws support compulsory insurance laws, but result in no enforcement or administrative costs, because they are self-executing. The cost is placed directly on those who break the law.**
- **No Pay/No Play laws are fair and have been found to be constitutional.**
- **No Pay/ No Play laws and bills have been soundly supported by consumers in public opinion polls.**
- **Uninsured drivers should not be allowed to benefit from someone else's compliance with the law while simultaneously denying that benefit to someone they injure in an accident. S.B. 111 would eliminate this inequity.**

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NO PAY/NO PLAY -Enacted Laws			
STATE	BILL NUMBER	CURRENT STATUS	REMARKS
California	-----	Current law	Proposition 213. Passed by overwhelming majority in November, 1996, this law prevents any recovery for injuries sustained in a felony, or noneconomic damages for DUI or uninsured drivers. Rate reductions required. Has withstood court challenge, however courts have not extended damages limitation to survivors.
Iowa	HF 2525	<i>Enacted, signed by Governor 4/6/00.</i>	HF 2525 only prohibits recovery of noneconomic damages if injured while committing a felony.
Louisiana	---	Current Law	Included in the "Omnibus Premium Reduction Act" of 1997. The law provides that the owner or operator of an uninsured vehicle is barred from recovery of damages for the first \$10,000 of bodily injury and the first \$10,000 of property damage. This limitation does not apply if the driver of the other vehicle is operating a vehicle while intoxicated, intentionally causes the accident, flees from the scene, or is involved in a felony offense. The LA Supreme Court has upheld this provision as constitutional.
Michigan	-----	Current law	P.A.222, effective 4/1/96 limits recovery of noneconomic damages of uninsured drivers.
New Jersey	-----	Current law 39:6A-4.5	Enacted in 1997, prevents recovery of economic or noneconomic damages if uninsured, DUI or intentional action. [Basic Policy] created by 1998's SB 3 effectively negates some provisions.
North Dakota	SB 2376	Current law	Prohibits recovery of noneconomic damages for uninsured driver who has been convicted at least two previous times for driving uninsured. Effective 8/1/99.

NO PAY/NO PLAY -Enacted Laws			
STATE	BILL NUMBER	CURRENT STATUS	REMARKS
Oregon	-----	Current law	Bars recovery for noneconomic damages if driving uninsured, intoxicated or injured in the course of a felony. Restrictions on recovery do not apply if uninsured driver was insured under an auto liability policy within the past 180 days, and has not driven an uninsured vehicle within the year preceding the coverage lapse. Effective 10/23/99.

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